TEXAS DEPARTMENT OF INSURANCE
Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645
(512) 804-4000 | F: (512) 804-4811 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name
Memorial Compounding Pharmacy

Respondent Name
Sompo Japan Insurance Co of America

MFDR Tracking Number
M4-16-0717-01

Carrier's Austin Representative
Box Number 19

MFDR Date Received
November 16, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Memorial Compounding Pharmacy's bills are not being processed in accordance with to Texas Guideline Rule 133.240 Medical Payments and Denials."

Amount in Dispute: $6,861.03

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: December 21, 2015: "We are in receipt of the above captioned medical fee dispute resolution. The carrier has reconsidered the bill for the above mentioned dates of service and we are processing the bills for payment."

Response Submitted by: Broadspire, P. O. Box 14351, Lexington, KY 40512-4351

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
September 17, 2014 through March 15, 2015	Pharmacy Services	$6,861.03	$5,613.57

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.503 sets out the reimbursement guidelines for pharmacy services.
3. Neither party submitted an explanation of benefits for the services in dispute.

Issues

1. Did the requestor waive the right to medical fee dispute resolution?
2. What is the applicable rule pertaining to reimbursement?
3. Is the requestor due additional reimbursement?

Findings

1. 28 Texas Administrative Code §133.307(c)(1) states:

   Timeliness. A requestor shall timely file the request with the division's MFDR Section or waive the right to MFDR. The division shall deem a request to be filed on the date the MFDR Section receives the request. A decision by the MFDR Section that a request was not timely filed is not a dismissal and may be appealed pursuant to subsection (g) of this section.

   (A) A request for MFDR that does not involve issues identified in subparagraph (B) of this paragraph shall be filed no later than one year after the date(s) of service in dispute.

   Regarding the dates of the service September 17, 2014 and October 15, 2014, the request for medical fee dispute resolution was received in the Medical Fee Dispute Resolution (MFDR) Section on November 16, 2015. This date is later than one year after the dates of service in dispute. Review of the submitted documentation finds that the disputed services do not involve issues identified in §133.307(c)(1)(B). The Division concludes that the requestor has failed to timely file this dispute with the Division's MFDR Section; consequently, the requestor has waived the right to medical fee dispute resolution for the dates of service September 17, 2014 and October 15, 2014. The total of services not eligible for dispute is $1,247.46.

   The remaining dates of service will be reviewed per applicable rules and fee guidelines.

2. The dates of service November 17, 2014, November 28, 2014, December 15, 2014, December 29, 2014, January 14, 2015, January 28, 2015, February 13, 2015, February 27, 2014 and March 15, 2015 are for pharmacy services. 28 Texas Administrative Code §134.503(c) states,

   The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:

   (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:

   (A) Generic drugs: ((AWP per unit) x (number of units) x 1.25) + $4.00 dispensing fee per prescription = reimbursement amount;

   (B) Brand name drugs: ((AWP per unit) x (number of units) x 1.09) + $4.00 dispensing fee per prescription = reimbursement amount;

   (C) When compounding, a single compounding fee of $15 per prescription shall be added to the calculated total for either paragraph (1)(A) or (B) of this subsection;

Date of Service	Name of medication	Reported Units	Amount billed	MAR (AWP per unit) x (number of units) x 1.25 + $4.00
November 17, 2014	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
November 28, 2014	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
December 15, 2014	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
December 29, 2014	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
January 14, 2015	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50

January 28, 2015	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
February 13, 2015	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
February 27, 2015	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
March 15, 2015	Tramadol HCL Bulk Powder	60	$623.73	36.30000 x 60 x 1.25 + $4.00 = $2,726.50
		Total	$5,613.57	$24,538.50

3. The maximum allowable for the services in dispute eligible for review is $24,538.50. This amount is based on the submitted code (NDC found in box 21 of DWC066, is for Tramadol HCL Powder with a package description of "bottle" and the number of units found in box 23 is "60". The requestor is seeking $6,861.03 however $5,613.57 is recommended as follows; ($6,861.03 less non eligible services in dispute that total $1,247.46 = $5,613.57.) This amount is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $5,613.57.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of $5,613.57 plus applicable accrued interest per 28 Texas Administrative Code §134.130 due within 30 days of receipt of this Order.

Authorized Signature

		February 18, 2016
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012**.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.